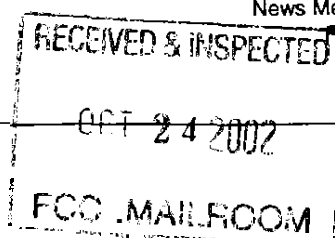




PUBLIC NOTICE

Federal Communications Commission
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DA 02-2826

Released: October 24, 2002

DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO ACQUISITION OF LOCAL EXCHANGE ASSETS OF CITIZENS TELECOMMUNICATIONS COMPANY OF NORTH DAKOTA BY RESERVATION TELEPHONE COOPERATIVE

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 02-334

On September 25, 2002, Citizens Telecommunications Company of North Dakota (Citizens-ND) and Reservation Telephone Company (Reservation) (collectively, Applicants), filed an application pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and sections 63.03 and 63.04 of the Commission's rules, for consent to the acquisition of Citizens-ND's Alexander and Watford City, North Dakota exchanges by Reservation.

Applicants assert that this application is subject to streamlined processing under section 63.03(b)(1)(iii) of the Commission's rules because it involves only the transfer of the local exchange assets of an incumbent local exchange carrier (LEC) by means other than an acquisition ~~of~~ corporate control.¹

Citizens-ND, a Delaware corporation, is a wholly owned subsidiary of Citizens Communications Company (Citizens), also a Delaware corporation, having its principal place of business at 3 High Ridge **Park**, Stamford, CT 06095. Citizens is a publicly traded corporation in which no individual or entity owns an equity interest of 10 percent or more. Reservation is a North Dakota telephone cooperative owned by its members. No individual member owns 10 percent or more of the cooperative.

Citizens is selling the last three exchanges it owns in North Dakota. Two of those exchanges, Alexander and Watford City, are being sold to Reservation – and one exchange, Williston, North Dakota, is being sold to Missouri Valley Communications, Inc. According to

¹ See 47 C.F.R. § 63.03(b)(1)(iii).

Citizens, these three exchanges are being sold because they can be operated more efficiently by other incumbent LECs. Upon consummation of these transactions, Citizens-ND will have divested itself of all of its incumbent local exchange operations in North Dakota. Reservation will become **an** incumbent LEC in the Alexander and Watford City, North Dakota exchange areas.'

The Alexander exchange is located in Alexander, North Dakota, a rural area. The Alexander exchange serves approximately 236 access lines. The exchange serves portions of McKenzie County, which has a population of 5,737. The major town served by the exchange is Alexander, with a population of 217.

The Watford City exchange is located in Watford City, also a rural area. The Watford City exchange serves approximately 1,113 access lines. The exchange serves portions of McKenzie County. The major town served by the exchange is Watford City, with a population of 1,435.

Citizens-ND provides a full range of residential and business local exchange, switched and special access, custom calling, and information services in the two exchanges, and Reservation will provide comparable services.

Citizens acquired the North Dakota exchanges that are the subject of this transaction from Qwest on October 30, 2000. The North Dakota acquisitions were part of a larger series of transactions in which Citizens was acquiring rural local exchange operations from Qwest throughout the western states. The North Dakota transaction involved small "islands" of exchanges in the state as part of a much larger series of transactions that Citizens hoped would allow it to create cohesive and viable regional operations in the West. However, Citizens states that the larger series of transactions was ultimately aborted, thereby making it extremely difficult to achieve regionalized economies of scale with the small North Dakota exchange areas that Citizens-ND has contracted to sell.

Applicants assert that the public convenience and necessity will be served by a grant of this application because Reservation is an established, incumbent LEC already operating in an adjacent exchange area. Applicants state that Reservation is geographically and operationally situated to operate these small exchanges in a highly efficient manner as a natural extension of its existing operations, and that these exchanges will become an integral part of the operations of an experienced "North Dakota" carrier.

On September 24, 2002, Citizens-ND and Reservation filed a joint petition seeking "study area waivers" and other waivers pursuant to sections 61.41(c)-(d) (rate of return) and 69.605(c) (NECA carrier common line tariff) of the Commission's rules.

GENERAL INFORMATION

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice.³ Unless otherwise notified by the Commission, an applicant is permitted to transfer control of the domestic lines or authorization to operate on the 31st day after the date of this notice. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*. 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of **an** electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mad comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get **form** <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appear in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed **of** before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to **445** 12th Street, SW, Washington, D.C. 20554. **All** filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

³ See 47 C.F.R. section 63.03(a).

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, **445** 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: twilson@fcc.gov, and
- (3) Bill Dever, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C266, Washington, D.C. 20554; e-mail: wdever@fcc.gov; **and**
- (4) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., Room 8-A820, Washington, D.C. 20554; e-mail: njoshi@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, **445** 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898. or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394 or Bill Dever, Competition Policy, Wireline Competition Bureau at (202) 418-1578.

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